



Department of Justice

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FORMER CORPORATE EXECUTIVE CHARGED WITH MONEY LAUNDERING

WASHINGTON, D.C. – Dan F. Whitt of Little Rock, Arkansas was charged today with conspiracy to commit money laundering in connection with a kickback scheme used to defraud his employer, the Department of Justice announced.

The charge was filed in U.S. District Court in Detroit. Whitt is a former executive of an audio-visual company located in Troy, Michigan, which buys licensing rights from television and movie programmers, then packages these properties for retail sale as videotapes and DVDs. According to the charge, Whitt and others willfully devised a scheme to defraud, which permitted Whitt to obtain or seek to obtain money by means of false or fraudulent pretenses.

The scheme allegedly allowed Whitt to obtain or solicit to obtain over \$3.5 million in kickbacks from vendors seeking contracts from his company. Whitt conditioned his favorable support in the contract negotiations and the successful execution of any contract awarded on the payment of a kickback to him, according to the charge. He allegedly solicited the kickbacks without the knowledge of, or authorization from, his employer.

According to the charge filed today, beginning at least as early as May 2000 and continuing through on or about November 12, 2001, Whitt and others conspired to conduct and attempt to conduct financial transactions involving the proceeds and the anticipated proceeds of the kickback scheme, knowing that the transactions were designed to conceal and disguise the

nature, location, source, ownership, and control of such proceeds of unlawful activity. They allegedly sought to accomplish their conspiracy by having monies paid to separate corporations; using phony consulting contracts; purposely misidentifying the president of corporations purportedly doing consulting work; establishing multiple financial accounts to receive and distribute the monies; and establishing phony financial relationships between Whitt and other conspirators.

“This type of scheme deprives companies of their right to the honest services of their employees and to fair and competitive prices,” said James M. Griffin, Deputy Assistant Attorney General in charge of the Antitrust Division’s Criminal Enforcement Program.

The conspiracy to commit money laundering charge, in violation of 18 U.S.C. § 1956(h), carries a maximum penalty of twenty years in jail, three years of supervised release, and a \$500,000 fine. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victim of the crime, if either of those amounts is greater than the statutory maximum fine.

The charge announced today resulted from an ongoing federal antitrust investigation of anticompetitive conduct in the video duplicating and replicating industries. The investigation is being conducted by the Antitrust Division’s Cleveland Field Office with the assistance of the Detroit office of the Federal Bureau of Investigation and the Detroit office of the Internal Revenue Service, Criminal Investigation Division.

Anyone with information concerning bribery, fraud or money laundering in the retail video duplicating or replicating industry should contact the Cleveland Field Office of the Antitrust Division at (216) 522-4070 or the Detroit office of the FBI at (313) 237-4169.

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